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SUBJECT: MEDIA REACTION ON DEBT FORGIVENESS, JULY 25, 2005

¶1. On 07/25 the Tegucigalpa-based liberal daily, "La Tribuna," published an op-ed by Oscar Lanza Rosales entitled "Debt Relief needs to benefit the Poorest of the Poor" "The rich countries that make up the G-8 have forgiven the debt of Honduras, approximately 60% of the foreign debt and equivalent to some 3 billion dollars. We must take advantage of this debt relief during its 15-year period, around 4 billion lempiras per year, to reduce the poverty in which our country is submerged."

"Today there is still distrust that the debt relief funds will not get to the most needy or that they will only get crumbs. Cardinal Rodriguez has expressed this worry and has declared, `that he who steals from the poor has no forgiveness from God.'"

"On what the President has said, we agree that the Fund be administered by the Consultative Committee for the Poverty Reduction Strategy (CCERP). But where we dissent is in the application of projects to a general fund. Because under this criteria, we run the risk of the more influential social actors taking the bigger pieces of the pie."

"Under the system of a General Fund, we run the risk that this money will not reach the poorest of the poor in Honduras, as was the intention of the President and the international partners that authorized the debt relief."

"Hopefully the CCERP will do its job well and will make 99.99% of the resources reach the poorest of the poor. Hopefully, it will meet the expectations of the Executive Secretary of the National Forum for Convergence (FONAC), Don

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Juan Ferrea that these new resources reach the rural areas where the poorest in Honduras are found. That these funds will generate well being, equality, justice; which have been absent for the longest time."

¶2. The San Pedro Sula-based liberal daily "Tiempo" carried an op-ed by Rodolfo Pastor Fasquelle entitled "Debt Relief and those who covet it." "This topic makes me a little nervous. I was telling some friends that it reminds me of the famous Renaissance painting, "The Haywain" by the great Bosch, in which man's crazy disputes over gold are metaphorically symbolized by hay. We haven't received anything yet in many European parliaments and cabinets, the debt relief is being questioned and here we already fighting like cats and dogs over who gets the prize. And there is great expectation because this year some 20 million dollars are to be spent. This is enough to win any election if it is distributed among the poor, the way my uncle the Cardinal suggests. Laws have already been passed to this effect."

"Many of my friends (not I) believe in ERP [Poverty Reduction Strategy]. (Some even subscribe to the theory that governments don't have much to do, other than to strictly follow the procedures established by the 2001 'Agreement' for the channeling of foreign aid funds through civil society organizations dispersed through poor areas.) The more moderate understand that this is a valid proposal, but that the State has to prioritize the specific issues and direct the available funds to where they will have the most impact; much like it was done with the Millennium Funds."

"For me, it is clear what the ancients used to say, `you can't give a man a fish; you have to teach him how to catch a fish.' One helps more by teaching. But I am convinced that, even though we need housing and child nutrition programs in schools, the most important thing has to be giving Hondurans those 11 years of school that is proven beyond a shadow of a doubt will help them rise above poverty. According to large international studies, without those 11 years, it is very difficult to get out of poverty and stay above the poverty line. And of course, this is possible and the rest is hay and illusion."

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